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Required Report - public distribution

Date: 12/16/2011

GAIN Report Number: RSATO1126

Russian Federation

Exporter Guide

Opportunities For Growth

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Report Highlights:

The Russian economy has entered a “post-crisis” period of growth. Domestic demand, which collapsed in 2009, has nearly reached pre-crisis levels. In 2010 and so far in 2011 (Jan-Sept), the U.S. was the seventh largest supplier to Russia by value of agricultural, fish and forestry products. In 2010, the consumer oriented sector, including red meats, poultry, fruit, tree nuts, etc., accounted for 64 percent of total agricultural imports from the United States, worth more than \$1 billion according to Russian customs statistics. That number is on track to be surpassed in 2011 as imports of U.S. consumer ready products are up 56 percent year-on-year for the Jan-Sep period. However, third country suppliers continue to be competitive in Russia. Market opportunities for U.S. products include red meats, poultry, fish and seafood products, tree nuts, fresh and dried fruits, food preparations/ingredients and pet foods.

Post:

Moscow ATO

Note: The Exporter Guide is scheduled to be updated in Spring 2012, at which time readers will find full 2011 year data

Author Defined:

SECTION I. MARKET OVERVIEW

Russia is one of the fastest growing economies in Europe with approximately 142 million consumers who have developed a strong appetite for quality, Western food products in recent years. Rising incomes and a growing middle class have particularly fueled demand for packaged food, as well as more casual dining options in the foodservice industry. These trends ultimately present great opportunities for U.S. food and beverage exporters looking to enter the large and increasingly advantageous Russian marketplace.

In 2011, the Russian economy neared its pre-crisis level. Gross domestic product (GDP) has virtually reached pre-crisis levels. GDP for the 3rd Quarter of 2011 is estimated at RUB 10,405.2 bn vs. RUB10,459.5 bn in 3Q08 (at constant -2008- prices, seasonally adjusted, source: Rosstat), and the last quarter will likely be stronger than three years ago. This follows from 4 percent growth in 2010, a considerable change from its negative 7.9 percent rate in 2009. Real growth was 4.8 percent year-on-year in 3Q11, and 4.3 percent in the first nine months of 2011. The full year forecast is around 4.5 percent. The main economic drivers have been slightly higher than expected oil prices and healthy domestic demand. Reflecting more gradual recovery of domestic demand, retail and wholesale trade sales grew by 17.8 percent in 2010.

The Russian government continues to focus on fundamental changes in the country's economic structure over the long term. Their goal is to reduce dependence on the energy sector. Currently, the economy remains heavily dependent on oil and natural gas exports, which account for two-thirds of export revenues.

European Russia, geographically west of the Urals, hosts over 75 percent of the total population (142 million people). 74 percent of Russians in 2010 lived in urban areas and over 11 percent of the total population lived in either Moscow (11.5 million people) or St. Petersburg (4.8 million people). There are ten cities in Russia (Novosibirsk, Yekaterinburg, Nizhniy Novgorod, Samara, Omsk, Kazan, Chelyabinsk, Rostov-on-Don, Ufa, Volgograd) with a population of more than one million people. These Russian metropolitan areas also represent the largest retail and HRI markets in the country.

According to Rosstat, in 2010 the real disposable income of the Russian population increased by 10.2 percent, compared to the corresponding period in 2009. Despite this improvement, the average monthly salary remained low at US\$693 (RUB 21,123). The minimum monthly wage stood at US\$142 (RUB 4,330). The rate of unemployment in Russia decreased by one percent in 2010 to reach 7.2 percent, according to Rosstat. However, labor productivity has remained low due to obsolete manufacturing and management practices and poor infrastructure, as well as limited opportunities for continued qualification and re-qualification. Personal income tax is set at a flat rate of 13 percent for residents (for individuals spending at least 183 days in a given tax year in Russia) and 30 percent for non-residents.

The number of Russians living below the official poverty line is still high at 18.5 million but fell significantly during the period of high oil prices. Although the middle-class has grown substantially, the number is still matched by those living in poverty. (Also please see Appendix Statistics, Table A).

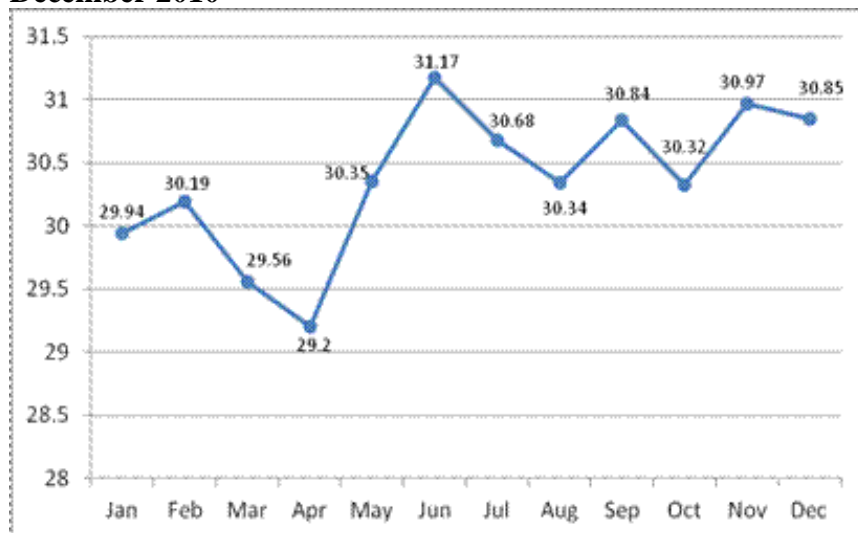
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Table 1. Russia – Economic Activity

	2005	2006	2007	2008	2009	2010
Nominal GDP, billion rubles	21,609.80	26,917.20	33,247.50	41,428.60	39,100.70	44,939.20
Nominal GDP, billion dollars	753	1,022.30	1,354.30	1,410.00	1,293.00	1,474.38
Real GDP growth, % change y-o-y	6.4	8.2	8.5	5.2	-7.9	4.0
GDP per capita, US\$	5,182	6,710	8,813	11,304	8,682	10,315
Population, millions	143.2	142.5	142.1	142	141.9	141.9
Unemployment, %	7.1	6.7	5.7	7	8.2	7.2
Inflation, %	10.9	9	11.9	13.3	8.8	8.8

Source: Federal State Statistics Service, most recently CY data

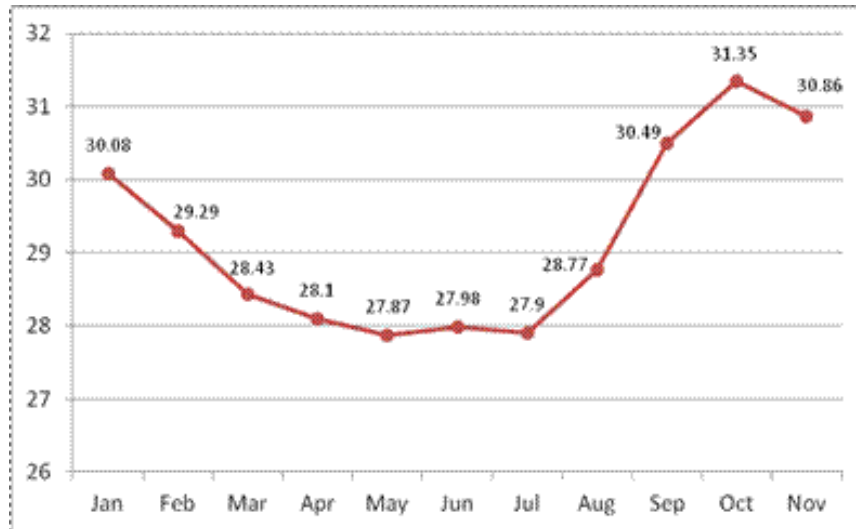
Although the Ruble is recovering and expected to continue, it is still weak against the Dollar and Euro compared to pre-crisis exchange rates and imported food prices have risen respectively. Figure 1 and 2 below show the exchange rate of U.S. Dollar to Russian Ruble in 2010-2011.

Figure 1. Russia's Central Bank's exchange rate of \$1 USD to Ruble from January 2010 to December 2010

Source: The Central Bank of the Russian Federation

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Figure 2. Russia's Central Bank's exchange rate of \$1 USD to Ruble from January 2011 to November 2011



Source: The Central Bank of the Russian Federation

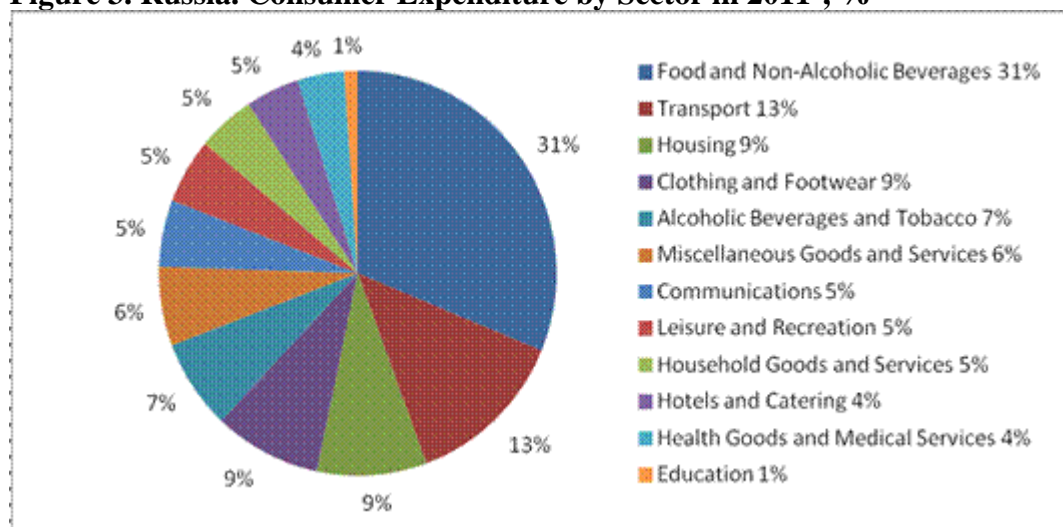
Consumer price inflation is likely to reach around 6.2 percent in 2011 (down from 8.8 percent in 2010). Experts estimate that the inflation rate in the first half of 2012 might be lower than the inflation rate during the same period in 2011, due in part to a postponement in increases in regulated rates for public utilities.

Russia's consumer markets are vast and still fairly undeveloped compared to Western markets, creating numerous opportunities for investors, despite the low disposable incomes and the concentration of wealth in major cities. In the past 15 years, investors in Russia's consumer markets focused almost exclusively on Moscow and St. Petersburg, as the two cities offered a very high concentration of well-off consumers, while the rest of the country was relatively poor. However, as consumer markets in Moscow and St. Petersburg have become increasingly competitive and the population in other important cities, such as Yekaterinburg and Nizhniy Novgorod, has also experienced a notable increase in disposable incomes, more investors are looking into opportunities for investment outside the two main cities.

Consumer spending on food has steadily increased from 2006 through 2011 by 114 percent with an annual growth rate of 17 percent. Approximately 31 percent of consumer expenditure in 2011 was allocated to the purchase of food and non-alcoholic beverages, totaling about \$280 billion. Figure 3 shows Russian consumers' expenditures by sector in 2011.

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Figure 3. Russia. Consumer Expenditure by Sector in 2011¹, %



Source: Euromonitor International

As a result of economic recovery in 2010 imports of agricultural products to Russia increased by 19 percent compared to 2009 and totaled \$30.6 billion, according to Rosstat. In total, Russia's imports have grown 130 percent since 2005, and demand for imports has not yet reached pre-crisis level. This indicates an opportunity for future growth, suggesting U.S. exporters can benefit from further increasing Russian import demand. Russia's WTO accession in 2012 will also provide some additional opportunities for U.S. exports which will be clearer as details of the accession package are revealed.

Table 2. Import of Agricultural, Fish and Forestry Products to Russia, 2007-2011

	2007	2008	2009	2010	2011 ²
Agricultural Imports, billion dollars	23.7	30.6	25.7	30.6	29.8
Growth Year on Year, %	26.1	29.1	-16.0	19.01	-
5-Year Average Annual Growth Rate, %				16.88	-

Source: Global Trade Atlas

Table 3. The U.S. – Russia Bilateral Trade, 2010

Russian Total Trade	\$559.9 billion
Exports	\$336.5 billion
Imports	\$211.4 billion
Trade Balance	\$137.1 billion
The U.S.-Russia Trade	\$21.6 billion
Exports from Russia to U.S.	\$10.9 billion
Imports to Russia from U.S.	\$10.7 billion
Trade Balance	\$0.2 billion

¹ Estimation based on January – November 2011 data

² January – September, 2011 data

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The U.S.-Russia Ag. Trade*	\$1.51 billion
Exports from Russia	\$0.16 billion
Imports to Russia	\$1.35 billion
Trade Balance	\$1.19 billion

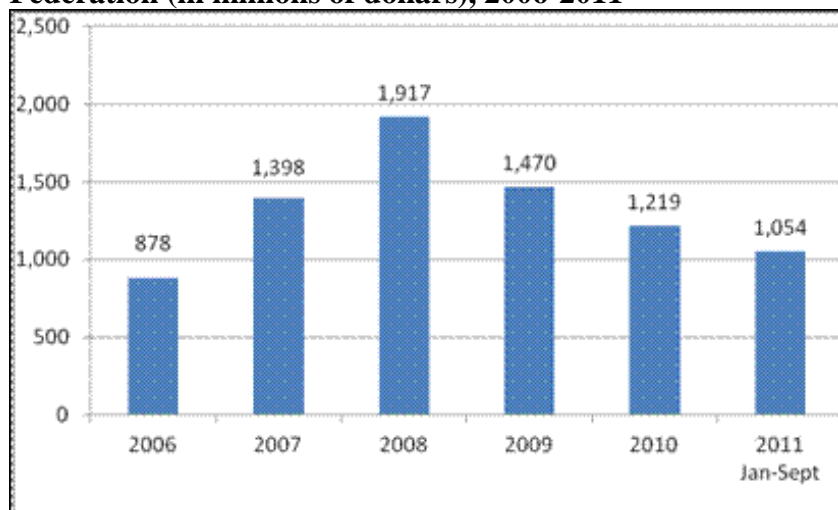
Source: Global Trade Atlas

*Note: Agricultural, Fish and Forestry Products

Russia is among the top export destinations for U.S. agricultural products. Based on U.S. official export data, the U.S. share of agricultural, fish and forestry products in 2010 exceeded \$1.22 billion. In 2011, exports are on track to surpass that figure considering Jan-Oct data shows exports up by 26 percent. Note: these figures are understated due to transshipments via Europe. According to Russian customs statistics U.S. agricultural imports in 2010 accounted for \$1.35 billion – a figure that is up by 47 percent so far in 2011 (Jan-Sep). The U.S. remains the seventh largest supplier to Russia (by value of agricultural, fish and forestry products) with approximately 4 percent of Russia's agricultural imports behind Brazil, China, Germany and others (please see Appendix Statistics, Table C). The U.S.'s top agricultural exports to Russia in 2011 include red meat, poultry, food preparations especially dairy products, nuts (almonds and pistachios), prunes, fresh fruit, fish and seafood, and other products.

Total U.S. - Russia agricultural trade, approximately \$1.5 billion, represents about 7 percent of total trade between the two countries.

Figure 4. Value of U.S. Exports of Agricultural, Fish & Forestry Products to the Russian Federation (in millions of dollars), 2006-2011



Source: Global Trade Atlas. Note: These figures are based on U.S. Customs export data, and will differ from Global Trade Atlas data on Russian imports from the U.S., which are based on Russian Customs import data

U.S. suppliers have actively explored the Russian market. The Russian chapter of the American Chamber of Commerce includes more than 850 members successfully operating in Russia. Between them are such American companies as Kraft, Mars, DuPont, Wrigley, Cargill, PepsiCo and many others.

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Despite the success of U.S. businesses operating in Russia, competition is increasing for Russian consumers. For many staple products, domestic production meets demand. Imported food and agricultural products have difficulty competing with domestic products due to the high cost of foreign exchange, high import duties and/or difficult regulatory framework and generally efficient production of unsophisticated food products. Imports add to the variety of foods available on the market and also include products that are either not grown in the country or for which domestic production is insufficient to meet domestic demand.

In addition, economic vulnerabilities and existing trade barriers (particularly non-tariff measures) can affect trade flows. Exporters should review some of the advantages and challenges of the Russian market (please see Table 4 below) when considering their marketing strategy.

Table 4. Russia: Advantages and Challenges for U.S. Exporters

Advantages	Challenges
Population of 141.9 million people who are potential consumers. The U.S. is the seventh largest importer in Russia (by value) of food and agricultural products.	The relatively low purchasing power of many Russian consumers, particularly in the regions and the consequent reduction in demand for durable goods, premium grocery, and non-grocery goods.
Russia's retail sector began to stabilize in 2010, which creates a number of opportunities for prospective U.S. exporters. The ongoing development of the mass grocery retail industry will allow producers to route products to the market more efficiently.	Economic vulnerability, dependence on oil and mineral extraction for most wealth. Substitution of imports for domestic products due to consequences of the crisis and Russian Government policy of self-sufficiency. Distance is one of the major barriers complicating logistics for the retail chains.
In general retailers are open to new products in order to attract customers.	Strong competition with suppliers of similar products from Russia and European Union.
Significant number of consumers can afford purchasing high-quality food products.	Per capita spending in the regions outside Moscow and St. Petersburg remains quite low.
Urban lifestyle changes increase demand for semi-finished and ready-to-cook products.	Rapid development of local manufacturers of ready-to-cook products creates tough competition for similar imported goods.
American-made food and drinks are still new for the majority of the population, and popular among the younger generation.	Growing number of domestically produced products; lack of knowledge of American products.
Existence of large importers experienced in importing food products to Russia.	Language remains an obvious barrier for many entrepreneurs from both small and large companies. Despite improvements in English language competency of many Russians it's still to be expected that many firms will not communicate effectively in English.

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Paying in dollars is advantageous for exporting to Russia compared to Europe due to the lower cost of the dollar relative to the euro.	Russian government bureaucracy and corruption. Contradictory and overlapping regulations. Official government opposition to growth in food imports.
Russian trade and investment policy is converging with international standards.	Current presence of non-tariff barriers such as unscientific sanitary and phytosanitary restrictions.
Investors are building more efficient storage facilities, improve infrastructure and logistics.	Despite huge potential, regional markets require substantial upfront investment in infrastructure and facilities, and transportation infrastructure between cities and regions remains extremely poor.
The Russian government has committed to spending billions on infrastructure over the next 10 years, particularly on railroads and highways, which should translate to better logistics for expanding retailers.	Lack of reform in the Russian agricultural sector has led to high raw-material costs and shortages for processors.
Russia's accession to the WTO is expected by mid-2012. Russia will be obligated to bind its agricultural tariffs, adding more predictability to the trading relationship and opening export opportunities for the U.S. agricultural industry. WTO membership will also require Russia to abide by science-based sanitary and phytosanitary standards that will help facilitate U.S. farmers' access to the market.	Russia's accession to WTO was postponed several times. Competition with food products imported from EU and other countries may rise.

Russia's proposed accession to World Trade Organization (WTO) is expected to create changes that will provide more obtainable access for foreign companies to the market as well as much healthier competitive environment domestically. Through commitment to WTO rules and norms, the investment in and expansion into the Russian market will become more predictable thus reducing the "risk cost" of the entry ticket onto the market. Russia's accession is expected to take place in 2012.

SECTION II. EXPORTER BUSINESS TIPS

General Consumer Tastes and Preferences

As Russian consumers' incomes rise and the country's middle-class gradually expands, demand for better quality food is increasing. There are two distinct trends in Russia in terms of spending on food: a trend towards health-conscious eating and a trend towards convenience foods.

Healthy meals are becoming increasingly popular, particularly among younger consumers who are more conscious of their fitness and appearance and more aware of the risks of heart disease and similar diet-related illnesses. Thus, spending on foods such as yoghurt, muesli and low-fat alternatives has grown faster than the overall food category. Overall spending on fish, seafood, poultry products and fresh produce is also increasing. Per capita consumption of fresh fruit and vegetables (with the exception of apples and grapes whose consumption was already relatively high) has risen considerably, largely due to

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greater availability of such products, as well as public campaigns promoting the benefits of a healthier lifestyle. Russian consumers also generally dislike artificial flavors and additives, and prefer to purchase products with natural colors, flavors and other natural ingredients. Non-GMO products are also becoming more important for the Russian consumer, although understanding of agricultural biotechnology is extremely low.

At the same time, Russian consumers are increasingly time-poor and, as a result, they are demanding more convenience products, frozen processed food and ready-to-eat meals. Time dedicated to traditional food preparation and dining at home with family is commonly shifting to consumption of prepared meals or those at restaurants.

In most Russian households, women have the responsibility for grocery shopping. Generally, long-lasting foodstuffs such as rice, pasta, coffee and tea are bought in large quantities a couple of times a month, while fresh products are bought on a daily basis, usually on the way home from work.

When shopping for food, most Russian consumers are looking in three directions. First, they are giving preference to well known brands, rather than experimenting with the new ones. According to “GfK Russia” research, about 40 percent of Russian customers in a store first of all pay attention to their favorite brands’ offers. And about 70 percent believe that branded products are of better quality than others. Therefore they prefer quality brands which offer value-for-money. Secondly, Russian customers are very exposed to various discounts, promotions and sell-offs and as a result don’t like to pay full price when they know they can find a bargain. And thirdly, consumers are looking for brighter and more unusual goods. They are open-minded to brands which are novel, provided that the story around them is modern and attractive. This is good opportunity for a wide range of U.S. packaged products.

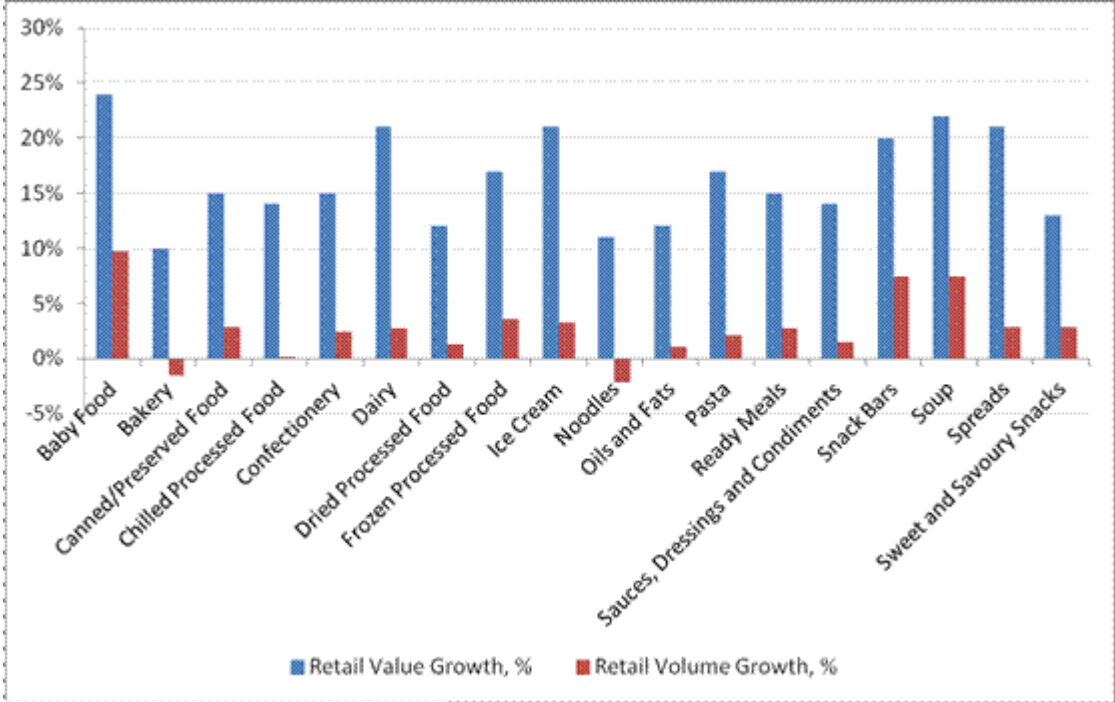
Packaged Food Sales

Russia’s packaged food market is amongst the fastest growing in the world reaching the \$100 billion by some estimates. In 2011 the market was boosted by steady growth in almost all categories of packaged food. Sales in this sector are expected to increase 16 percent in 2011 supported by rising incomes as well as the availability of imported products on the market.

The economic downturn prompted manufacturers to introduce more packaging varieties to the Russian market. Alongside multi-portion packaging, single portion packaging has been offered by manufacturers of frozen processed food and dried processed food. To target a wider audience and to offer value for money, frozen processed food manufacturers increasingly offer frozen processed meat and poultry products both in simple plastic packaging to target the low-end segment, and in colorful carton and plastic packaging under brand names for upper- and middle-class consumers. To increase family consumption companies also offer big family packs.

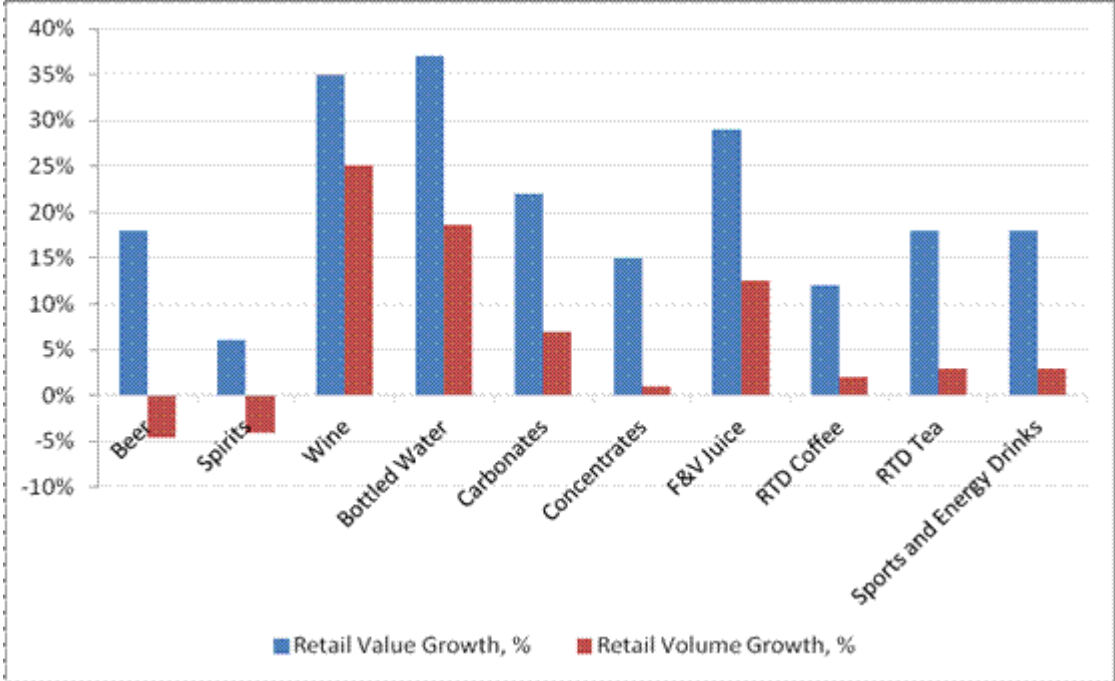
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Figure 5. Packaged Food Sales through Retail Stores in Russia (2009/2010 % growth, \$US millions in y-o-y exchange rate)



Source: Euromonitor International

Figure 6. Drink & Beverages Sales through Retail Stores in Russia (2009/2010 % growth, \$US millions in y-o-y exchange rate)



Source: Euromonitor International

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* Note: RTD - ready-to-drink

Table 5 below shows retail value sales of packaged food in 2007-2011.

Table 5. Packaged Food Sales through Retail Stores in Russia, 2007-2011*, \$US millions

	2007	2008	2009	2010	2011*	2010/2011 % Growth*
Packaged Food	62,127	74,625	65,313	75,515	87,408	15.7
Baby Food	1,028	1,415	1,349	1,675	2,128	27.0
Bakery	10,097	11,578	9,791	10,762	11,830	9.9
Canned/Preserved Food	3,631	4,384	3,793	4,379	5,021	14.7
Chilled Processed Food	4,659	5,417	4,873	5,552	6,343	14.2
Confectionery	8,783	10,305	8,861	10,195	11,765	15.4
Dairy	12,545	15,724	14,629	17,766	21,155	19.1
Dried Processed Food	2,463	3,127	2,833	3,161	3,544	12.1
Frozen Processed Food	5,514	6,574	5,722	6,680	7,940	18.9
Ice Cream	1,775	1,998	1,767	2,132	2,478	16.2
Noodles	468	555	503	557	616	10.5
Oils and Fats	4,668	5,867	4,757	5,331	6,202	16.3
Pasta	955	1,313	1,211	1,422	1,615	13.6
Ready Meals	3,243	3,740	3,250	3,726	4,373	17.4
Sauces, Dressings and Condiments	3,422	4,082	3,508	4,002	4,612	15.3
Snack Bars	8	10	9	11	14	26.9
Soup	382	462	414	506	624	23.2
Spreads	351	419	370	442	528	19.5
Sweet and Savory Snacks	3,146	3,683	3,018	3,396	3,820	12.5

Source: Euromonitor International

* 2011 is forecast

Starting Business with Russia

The World Bank's Ease of Doing Business 2011 report ranked Russia 123th out of 183 countries, a small drop compared to the 2010 ranking of 120th. However, the conditions for starting a business have deteriorated significantly since 2009 when Russia ranked 88th out of 183 countries. This is due to the lack of reform in terms of the time and number of procedures required for setting up a business in the country. While many countries have simplified and streamlined the process, it takes 9.0 procedures and 30.0 days in Russia to open a business. This compares unfavorably to an OECD (Organization for Economic Co-operation and Development) average of 5.7 procedures and 13.0 days. However, the cost of starting a business in Russia is low: only 2.7 percent of per capita income, compared to an average of 8.3 percent of per capita income in the Eastern Europe and Central Asia region.

The best entry strategy for new exporters depends on several factors, including: the target market, economic conditions, and host country regulatory environment as it relates to the products in question. Exporters can request a brief market assessment for their products and/or a list of Russian importers from ATO Moscow, St. Petersburg and Vladivostok. Additionally, ATO Moscow offers the following Note: The Exporter Guide is scheduled to be updated in Spring 2012, at which time readers will find full 2011 year data

recommendations to help exporters select the best approach for their firm:

- A prospective entrant is advised to estimate market prospects for their product with respect to consumer preferences and incomes, local competition and sales channels (marketing research from a specialized consulting firm may be required).
- Establish a Representative Office: One of the best ways exporters can conduct business in Russia is to open a representative office. Depending on the product and target market, an office might be situated in Moscow, a city that hosts a large concentration of retailers and representative offices; St. Petersburg, the port city through which the largest volume of sea-borne freight passes; or Vladivostok, the principal transpacific gateway to the Russian Far East.
- Work with a Russian Importer: Selecting the right trade partner is one of the most important decisions for exporters developing their business in Russia. Working with a local partner in Russia significantly expands business opportunities, and minimizes the need for exporters to establish direct contact with multiple retail chains. A local Russian partner familiar with market conditions and the regulatory environment can help exporters navigate the Russian retail market, resolve issues, and increase the likelihood of success.

In order to make the first delivery, usually a large local import company is chosen. The company should have a good reputation and experience in customs clearance, and must have storage facilities and a developed distribution network. Make sure the company has experience working with Western suppliers and has experience in arranging regular supplies of food products. Western companies that strive to supply directly, circumventing Russian middle men, often sustain losses due to lack of local market knowledge. A large domestic import company is usually better adjusted to local conditions, with established trade ties and contacts in state structures.

Exporters representing U.S. companies may contact the Moscow ATO for assistance in locating importers. Performing due diligence is critically important, such as verifying banking and supplier references of potential importers, and local and U.S.-based organizations in Russia can provide helpful information to exporters. However, credit reporting is a relatively new practice in Russia, and credit-reporting agencies may not have complete information on potential Russian business partners. Retail chains may be another valuable source for exporters collecting information on importers.

- Provide Sales Support: Exporters must help market the products they sell in Russia. Russian importers and wholesalers expect exporters to participate in the sales process, either by providing event marketing support, advertising assistance, training, packaging/handling advice, or point of sales materials.
- Attend Promotional Events: One of the main challenges to exporters entering the Russian market is product promotion. A cost-effective way exporters can promote their products is to participate in one of the largest general food and beverage trade shows in Russia, World Food Moscow, held annually in September. If exporters are targeting specific regions within Russia, the Moscow ATO recommends participating in regional exhibitions. Participation fees for

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regional exhibitions are lower, and are aimed at local consumers and retail food chains. The Russian retail market is competitive; exporters should allocate time to visit Russia and earmark funds in their sales plans for promotional support.

Trade Shows in Russia

Participation in one of several established trade shows in Russia allows exporters to take a first-hand look at the local market, to meet potential importers, and to gauge the competitiveness of their products compared to similar products promoted at the show.

World Food Moscow

Moscow, Expocentre

September 17-20, 2012

www.world-food.ru/eng

World Food Moscow is a USDA-supported show, and is essentially the “main event” for U.S. exporters interested in market opportunities in Russia. ATO Moscow and the Office of Trade Programs (in Washington) organize American pavilions in the grocery, fruit, and seafood sections offering “turn-key” service. USDA industry Cooperators typically organize a pavilion in the meat hall. In 2011, this 4-day show drew 1,420 exhibitors from 64 countries and attracted more than 26,000 importers, wholesalers, retailers, and processors from all parts of Russia and from many neighboring countries.

PIR Hospitality Industry

Moscow, Crocus Expo Center

September 25-28, 2012

<http://www.pir.ru/>

The PIR Hospitality Industry exhibition is the leading show for the hotel, restaurant, and industrial catering sector (HRI) and is affiliated with the Restaurateurs and Hoteliers Federation of Russia. In 2011, more than 600 exhibitors from 24 countries participated in the PIR show. The PIR show attracted approximately 40,000 visitors from the Russian hospitality industry including: 51 percent - restaurants, cafes; 24 percent - trade companies, distributors, producers; 11 percent - hotels; 6 percent - catering; 4 percent - mass media, regional government, educational centers; 1 percent - others.

Ingredients Russia

Moscow, All-Russian Exhibition Centre (VVC)

March 13-16, 2012

<http://www.ingred.ru/>

Ingredients Russia is a specialized trade show for suppliers and buyers of ingredients worldwide. In 2011, more than 300 companies and organizations from 25 countries exhibited at the show. More than 10,000 specialists visited the show last year searching for new contacts and different kinds of ingredients for food processing (e.g. confectionery, meat, fish, dairy, etc.).

Golden Autumn

Moscow, All-Russian Exhibition Center (VVC)

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October, 2012

www.goldenautumn.ru

The Golden Autumn trade show is organized by the Russian Ministry of Agriculture, and is the largest Russian trade show for production agriculture. In 2011, more than 2,500 companies and organizations from 58 Russian regions and 32 foreign countries exhibited at the show. Golden Autumn occupied over 90,000 meters of space, including open grounds, displaying over 700 items of agricultural equipment, both Russian and foreign. More than 100,000 visitors attended the event, most of who are involved in farming and livestock production, food processing, agri-business, research, or business financing. At this annual trade show, the USDA pavilion displays animal and plant genetics, high-grade feeds, animal nutrients, and feed additives.

Prodexpo

Moscow, Expocentre

February 13-17, 2012

<http://prod-expo.ru/en/>

Prodexpo is Moscow's largest international trade show highlighting foodstuffs manufactured in Russia and Eastern Europe. In 2011, Prodexpo hosted more than 2,000 exhibitors from 55 countries and attracted 51,123 visitors.

Logistics and Transportation

Imported products arrive in Russia via land, sea, or air freight into ports or customs warehouses for clearance before proceeding to the next destination. The transportation system for shipping U.S. high value food products into Russia via St. Petersburg and Moscow is well established. Most consumer-oriented food and beverage products including those from the U.S. enter through St. Petersburg or Moscow for customs clearance. Most American products are delivered to the Russian Federation in containers by sea and around 90 percent enter via the Port in St. Petersburg. MAERSK LINE, APL, OOCL, Hapag Lloyd, Evergreen, CMA-CGM shipping lines deliver cargos from the United States to Rotterdam, Hamburg, or Bremerhaven in Northern Europe. The transatlantic shipment can take from 17 to 30 days depending of the departure port and number of ports the vessel calling on the way to Europe. In Northern European ports, the containers are reloaded onto feeder vessels and travel an additional five days to St. Petersburg. It then takes an additional four days shipping time for final delivery by rail or truck to Moscow.

Outside of Russia, imports are also delivered to Baltic ports and then shipped by truck or rail to St. Petersburg or Moscow. Baltic and Finnish ports had offered greater efficiency, fewer problems with loss or damage, and lower port fees. However, changes in Russian import requirements have largely redirected these shipments to Russian ports: St. Petersburg, Ust-Luga, Vysotsk, Kronshtadt, Novorossiysk and Vladivostok.

The cleared products are then shipped further into the interior via truck or rail to Moscow, Yekaterinburg, Novosibirsk, Rostov-on-Don, Kazan, Samara, Ufa, and other major population centers in Russia, the main markets for the high end products.

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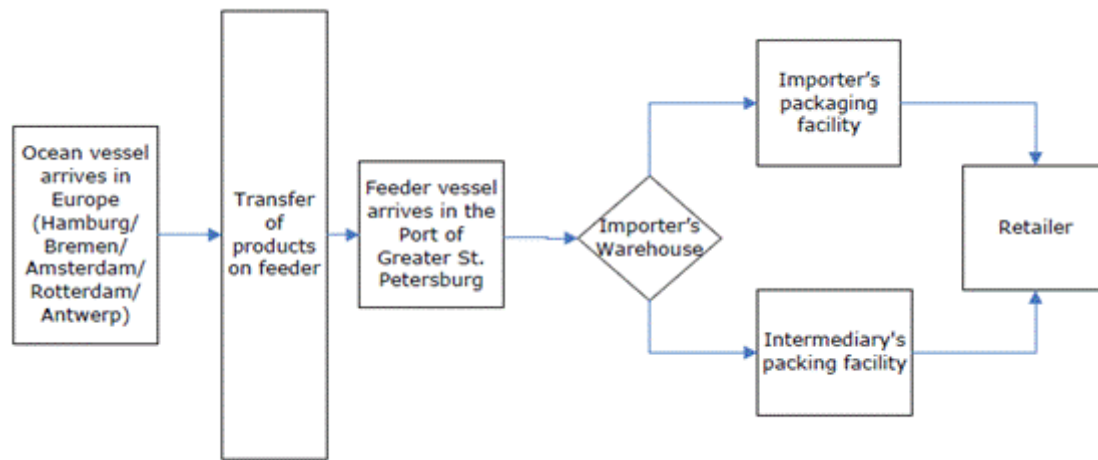
Products destined for the Russian Far East (RFE) enter through the ports of Vladivostok, Vostochnyy, Vanino, Nakhodka and Magadan. Although Vostochnyy is the region's largest port by volume, the majority of U.S. food exports to the RFE enter through Vladivostok.

Currently several forwarders make shipments from the U.S. west coast to Vladivostok: Hyundai Merchant Marine, MAERSK LINE, APL, and Hapac Loyd. Average transit time from the U.S. west coast to Vladivostok takes 18 days: ocean vessels bring containerized goods to the Korean Port of Pusan (it takes 9 to 13 days), then, feeders transfer them to the Port of Vladivostok (it takes 4 to 7 days). MAERSK LINE has the longer transit time, because it goes through Japan first, then delivers goods to Korea (Pusan). In 2008, FESCO launched a direct line from Everett, Washington to RFE ports (Vladivostok, Korsakov, Petropavlovsk, and Magadan). Direct voyages are scheduled approximately once per month and the average transit time is 14 days. From Vladivostok food products are shipped to the other cities in the RFE and Siberia by truck or rail.

Distribution Channels

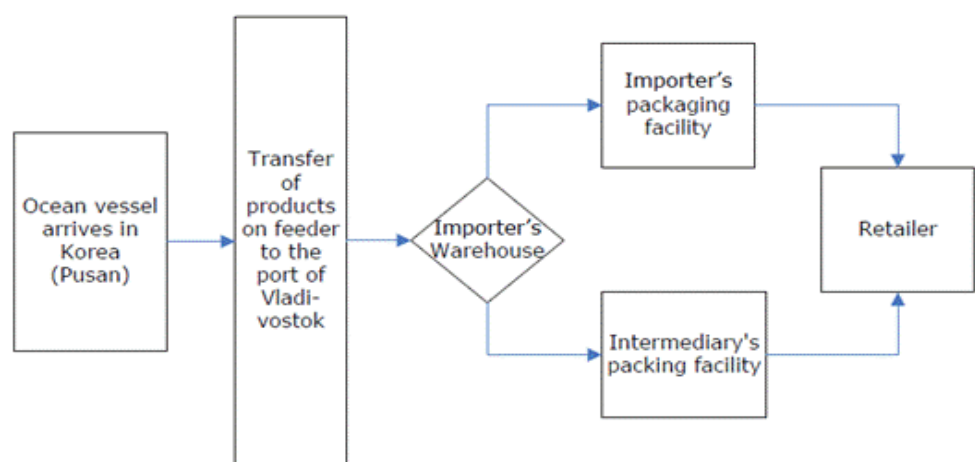
Imported food products for Russian retail chains and food service establishments come through importers, distributors, and wholesalers. Large suppliers are typically also importers.

Figure 7. Russia: Distribution channel for food retail chains, import of transatlantic products via the Port of Greater St. Petersburg



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Figure 8. Russia: Distribution channel for food retail chains, delivery from U.S. to the Russian Far East



Most hotels and restaurants choose to purchase the majority of products through food service importers/distributors in the hotel, restaurant, and industrial (HRI) sector, both large and small.

Credit and Payment Terms

The Russian banking system continues to make strides towards complying with international standards, and many banks that are authorized to open foreign currency accounts also have general licenses enabling them to undertake a full range of foreign currency transactions. Many of these banks have correspondent banks in the United States. Further, several American and foreign banks such as Citibank, Raffeissenbank, Societe Generale, and Credit Suisse are licensed to operate in Russia. Securing credit can be costly, however, and there can be obstacles to securing credit in Russia if the company is 100 percent foreign-owned. Russian bank fees are often high, and it can take much longer to open letters of credit or transfer funds than is common in the United States.

Prospective borrowers should expect Russian banks to request a package of documents, including a balance sheet showing profits for the last three quarters and proof of assets to mitigate the bank's risk. Interest rates on credit became lower in 2011 after a significant rise in 2009-2010 (up to 13.9 percent) making credit more available for Russian businesses.

Table 6. Average Interest Rates on credits to non-financial institutions in 2011, %

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sent.	Oct.
Interest Rates on Ruble-denominated Credit to Nonfinancial Institutions up to One Year	8.6	8.7	8.7	8.3	8.0	8.6	7.9	7.9	8.0	8.6

Source: Central Bank of Russian Federation

Regarding payment terms, Russian importers may not be accustomed to making a 100 percent pre-payment prior to shipment. As the business relationship develops, Russian importers may eventually

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expect exporters to ship on credit, with payment due upon arrival in the Russian port. The importer may alternatively make a pre-payment and pay the balance when the product arrives to the importer's storage facility.

In established business relationships, bank transfers are sometimes made on the basis of payment-on-delivery, or payment after an agreed number of days. A letter of credit (LC) may be used when required by the foreign supplier, but Russian importers consider LCs expensive and difficult to arrange. Document Collections work relatively well at ports, and importers are accustomed to these procedures. Nevertheless, until exporters and importers build relationships and reach a level of trust, exporters may find letters of credit worthwhile.

The GSM credit guarantee program offered through the United States Department of Agriculture (USDA) provides credit guarantees to encourage financing of commercial exports of U.S. agricultural products. The GSM Credit Guarantee allocation for Russia for FY 2012 (October 2011 – September 2012) is \$100 million.

The GSM-102 program is in great demand due to the extremely difficult financial environment and lack of financing available commercially in Russia. GSM-102 reduces risk to the U.S. exporter's bank and facilitates shipments of U.S. commodities to markets that may not be able to import these same products without the guarantee offered by the Commodities Credit Corporation.

The list of approved participating foreign banks in the GSM-102 program is available at FAS web-site: <http://www.fas.usda.gov/excredits/foreignbanks.html#RUSSIA>. The list is regularly updated upon the review of incoming financial information and applications from banks that desire to participate in the GSM-102. For further information on these programs, please visit the FAS website: <http://www.fas.usda.gov/excredits/ecgp.asp>.

Food Standards and Regulations

Russia has complex food import regulations. Exporters should carefully question importers regarding certification and documentation requirements, as well as procedures for clearance of shipments into the Russian Federation. Upon WTO accession many of the rules and regulations governing food and beverage imports will change so please continue to check the FAS website for updates.

In February 2010, compulsory certification for food products and cosmetics was cancelled. The Government of the Russian Federation (GOR) now requires only a declaration of conformity with the product safety regulations, instead of an obligatory certificate. At the same time, the authorities are planning to impose heavy fines on the manufacturers of unsafe products. Sanitary norms and technical regulations were not cancelled and continue to regulate the production process. For more detailed information on certification, customs procedures, documentation, tariffs and labeling requirements please see the following GAIN reports:

1) The newly updated FAS Moscow Gain report, "2011 Food and Agricultural Import Regulations and Standards (FAIRS)" report will be available on the FAS website at the end of 2011; the search engine can be found at <http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>.

2) RS1015 Declaration of Conformity Replaces Certification for Many Products
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Declaration%20of%20Conformity%20Replaces%20Certification%20for%20Many%20Products_Moscow_Russian%20

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[0Federation_3-22-2010.pdf](#)

On 1 January 2010, Russia, Belarus and Kazakhstan launched a Customs Union, which has since included the introduction of new rules and regulations for food products exported to the Union. The unification of sanitary norms and technical regulations is ongoing, and significant reforms may last for another year. At the same time, the Union provides greater access to the markets of the participating states and simplifies the distribution of packaged food within the Union but for the following exception: U.S. animal products exported to Kazakhstan and accompanied by health certificates will not be allowed for consumption in Russia or Belarus. Please see the related reports for further information on the Customs Union:

1) RS1036 Customs Union Update:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Custom%20Union%20Update%20July%202010_Moscow_Russian%20Federation_7-26-2010.pdf

2) RS21152 Customs Union Publishes SPS Measures for Public Comment:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Customs%20Union%20Publishes%20SPS%20Measures%20for%20Public%20Comment_Moscow_Russian%20Federation_11-23-2011.pdf

Pricing

Retail prices in Russia can vary significantly; however pricing has become more competitive as large retail chains increase their aggregate market share. On the regulatory side, exporters should consider the effect of the Russian tax regime when making pricing and margin decisions. Again, please continue to monitor GOR tariffs and other duties as WTO accession moves forward. Some of the taxes assessed include:

- import duties are applied to most goods and typically range from 5 to 20 percent of products' customs values. However, some agricultural products are subject to specific tariffs that are calculated by volume, weight or quantity. Excise taxes, depending on the commodity exported, apply to goods such as alcohol and tobacco products. For checking excise taxes rates please contact ATO Moscow.
- Russia typically levies an 18 percent Value Added Tax (VAT) on imported goods; however, some food products (e.g. sugar, salt, milk, bread, pasta, vegetables, baby food, end etc.) are subject to a reduced rate of 10 percent
- customs clearance charges add about 1.25 percent. The wholesale mark-up is typically 12 to 15 percent, while retail mark-up runs 35 percent or more, depending on the product and the retailer; and,
- a 39 percent profit tax is assessed on gross margin.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Retail Food Sector

Among the consumer-oriented sectors in Russia, retail is of primary importance. The Russian retail market has begun a period of post-crisis growth. Monthly retail sales in Russia average about \$50 billion and the industry recorded revenues of \$542.4 billion in 2010, which is 17.8 percent growth

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compared to 2009. Food retailers contributed to 48.6 percent of the total retail market turnover last year. The leading grocers reported the active development of low-end supermarkets.

Given the limited number of multinational players on the domestic market, Russian food retail continues to be led by large domestic retailers with annual turnover exceeding \$2 billion. Russian retail giants such as the X5 Retail Group, Magnit, Seventh Continent and Dixie chains are still among the top Russian retail players. That said, in addition to domestic companies, the French Auchan Group, German Metro AG and others have earned significant market share during the last decade. Nationwide, retail chains occupy about 18 percent of the food retail market, but with higher concentrations in major urban centers (about 21 percent in Moscow and 48.3 percent in St. Petersburg, according to Rosstat). Nevertheless, the Russian retail market is still highly fragmented with the 11 largest retailers (by revenue) controlling only 18 percent of the market, versus 80 percent for the 10 largest retailers in the U.S.

Traditional retail formats such as kiosks, street markets and small grocery stores keep declining in upper-tier urban Russia with open-air markets reducing in number. Food street markets decreased in number by 5 percent in 2010, amounting to 12.5 percent of retail sales in Russia in 2010, according to Rosstat. Traditional retail has the weakest position in Moscow and St. Petersburg.

Retailers demand consistent quality and adherence to contract specifications and penalize suppliers for failure to meet requirements. As a result, foreign suppliers continue to be competitive in the Russian market as they are more accustomed to meeting such strict specifications than Russian agricultural producers.

Please see the “Retail Foods Annual 2011” report for more information on the retail sector in Russia:
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods/Moscow%20ATO%20Russian%20Federation_9-2-2011.pdf

Legislation Regulating Retail Trade

The Russian Federal Law on Trade came into force on February 1, 2010. The Law is aimed at creating transparent conditions of cooperation between domestic suppliers and retailers and boosting competition in the retail sector. The Law contains strict antimonopoly regulations, such as capping store openings once a retailer reaches a 25 percent market share threshold within a city or municipal region, a 10 percent limit on bonuses paid to retailers by suppliers, and payment terms regulating how fast a retailer has to pay for goods with a certain shelf life, among others. The Law stipulates that the terms and conditions of food product supply contracts shall be brought into accord with requirements of the Law within one hundred eighty days from the effective date.

Please see the “Russian Trade Law” report for further information on the legislation regulating retail trade in Russia:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/The%20Russian%20Federal%20Law%20on%20Trade%20Moscow%20ATO%20Russian%20Federation_8-30-2010.pdf

Retailers were given six months to renegotiate their relationships with the manufacturers and suppliers, in line with the new legislation on retailing. To overcome the “limitations” imposed by the law, retailers

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have changed the terminology in their contracts with suppliers, stating “compensation” instead of “bonus” in order to keep receiving sums exceeding 10 percent from the value sold. Final consumers have been affected because the assortment of available goods has been reduced, as retailers preferred to work with those larger manufacturers and suppliers which are ready to meet the new requirements. However, unit prices have not increase significantly, and in some cases they have declined. (Source: Euromonitor International)

Hotel, Restaurant, and Institutional (HRI) Sector

Russian HRI sector sales had been increasing at a rate of 10 to 12 percent annually from 2005 to 2008 together with consumer income growth. The beginnings of an economic recovery were seen in the third quarter of 2009 and continued in 2011 although consumer confidence remains low. Despite the difficulties faced by much of the foodservice market, fast food was the only channel to see positive current value growth in 2009, 2010 and in 2011, albeit at a significantly moderated rate compared to previous years. Growth was driven by the generally rising popularity of fast food due to busier lifestyles and the emergence of more outlets in new locations.

Table 7. Restaurant Industry Sales in Russia

	2006	2007	2008	2009	2010	2011e
RUR, billion	275.3	306.1	343.1	334.2	362.3	398.0
Growth Year on Year, %		11.1	12.1	-3	8.4	9.8
US Dollars, billion*	10.12	12	13.81	10.53	11.9	13.1

Source: Euromonitor International, 2011 data is an estimate

***Average exchange rates by years: 2005 – \$1 = RUR 28.3; 2006 - \$1 = RUR 27.2; 2007 - \$1 = RUR 25.49; 2008 - \$1 = RUR 24.84; 2009 - \$1 = RUR 31.72; 2010 - \$1 = RUR 30.48**

The number of cafes, restaurants, and other food outlets in Russia currently stands at about 60,000. Although Moscow and St. Petersburg are still by far the largest restaurant cities in Russia, leading foodservice operators have begun regional expansion into other wealthy cities.

The crisis mostly affected restaurants belonging to the higher price category (falling by 30-50 percent) while sales at casual dining restaurants declined by 15-20 percent. However, the market remained largely stable compared to the previous year in terms of company shares. Chained restaurants suffered during the crisis less than independent ones. The leading players in various segments of the restaurant market made efforts to consolidate their positions through offering lower-cost meal solutions, and extending their services to areas such as home delivery or catering.

There are currently 30 to 40 restaurant chains operating in Russia, each of which manages between 20 to 400 outlets. McDonald’s, Rosinter Restaurant Holding, Arkadiy Novikov Restaurants, Ginza Project, Markon, Shokoladnitsa and Coffee House are the largest restaurant chains in different foodservice segments in Russia.

Russia's largest casual dining chain operator Rosinter, estimates the country's dining market value this year at 550 million rubles (\$17.64 million), with Moscow's share at 40 percent of the total.

The popularity of fast food in Russia has grown dramatically ever since the crisis first hit the country.

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Fast food restaurants account for about one-third of all public eateries and account for as much as 70 percent of clients served. Fast food has shown positive growth in 2009 and 2010 and the volume of the quick restaurant category in Russia reached \$ 5.6 billion. The fast-food sector is the fastest-growing restaurant category in Russia with an annual growth rate of 20 to 30 percent. McDonald's, which entered Russia in 1990 and created two generations of fast food eaters, has about a 70 percent share of Russia's quick service restaurant market. McDonald's remained the absolute leader with a 43 percent value share of fast-food chain sales. Subway, the world's largest sandwich chain, is one of the most rapidly developing fast food chains in Russia tripling the number of its outlets in 2009-2010. In St. Petersburg, the popularity of the Subway brand is underscored by the fact that, from May to July 2010, one local Subway restaurant had the highest sales turnover out of 31,000 Subway restaurants worldwide. Subway has an ambitious plan of expansion and has caught up to McDonald's in terms of number of outlets in 2011.

Franchising models dominate in fast food. As of now more than 90 percent of fast food chains in Russia work under various franchise agreements. Fast-food is an increasingly attractive market for overseas investors and many famous American fast-service operators have appeared in Russia since 2009. Burger King, one of the largest fast food corporations in the world, has established a presence in Russia by opening its first restaurant in Moscow on January, 2010. Currently, Burger King's franchisees operate 22 restaurants in Moscow and 7 outlets in Saint Petersburg. Dunkin' Donuts, the U.S. doughnut eatery chain that left Russia after a three-year stint in the 1999, returned to Moscow in 2010 with big plans for rapid expansion. The Russian company Donuts Project received exclusive franchising rights for development of the chain in Russia and the Ukraine. Dunkin' Donuts opened its first outlet in May 2010 and currently has twelve restaurants in Moscow. Wendy's/Arby's Group, one of the world's leading fast food operators entered the Russian market in 2011 and will open 180 restaurants there over the next 10 years. Last year the company signed a franchising agreement with Russia's Food Service Capital group. Food Service Capital initially plans to open 10 outlets in Moscow and St. Petersburg.

Before the crisis, the coffeehouse business in Russia showed impressive annual growth of 136 percent in value terms on the average. According to research by IndexBox, coffee shops market value declined by 23 percent in 2009 to \$152.44 million. However, the situation has improved and by Q3 2010 market value reached \$185.96 million. There is an increasingly high concentration of the leading chains, including Coffee House, Shokoladnitsa, McCafé, Starbucks, and Costa Coffee in Moscow and St. Petersburg, so in the short term many coffeehouse chains plan to expand to the Russian provinces. The world leader, Starbucks Coffee Company, opened its first outlet in Moscow in September 2007 and currently is number three by coffee sales after Shokoladnitsa and Coffee House. As of November 2011, Starbucks operates 52 coffee shops in the capital.

Baskin Robbins, the world's largest chain of ice cream specialty shops, entered Russia in 1990. Baskin Robbins Production International opened 33 new ice cream salons in Russia in 2010. As of January 2011 Baskin-Robbins' network in Russia consists of 145 outlets in 68 cities, most of them franchises. Many restaurants import the vast majority of their ingredients, creating opportunities for U.S. exporters of meat, seafood, wine, and specialty foods.

Please see the "HRI Food Service Sector" report for further information on the HRI sector in Russia: http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Moscow%20ATO

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Food Processing Sector

Russia's food processing industry is one of the most dynamic sectors in the Russian economy. From 2005 to 2008, investments into food processing enterprises totaled more than 135 billion rubles which demonstrates the attractiveness of this sector for both Russian and foreign investors.

In 2010, Russia's food processing sector clocked post-crisis growth of 5.4 percent and it is expected to continue growing in 2011, supported by rising disposable incomes, increasing real wages and declining unemployment. Among the growth leaders are: meat products (including pork, poultry, sausages and semi-finished meat), dairy products, confectionary, dry baby food and dietary products with cereal.

The food processing industry is comprised of foreign and domestic manufacturers with the latter dominating number wise. Foreign producers go on strengthening their positions with investments and marketing activities. On the other hand, many Russian manufacturers are investing in modernization and expansion in order to strengthen their position in the market. The leaders of the market are focused on consolidation and expansion into regions outside Moscow and St. Petersburg.

Demand for higher-quality ingredients is increasing as more local food processors strive to meet international quality standards. However, some companies are reporting that domestic supplies of raw materials and specialized ingredients for meat, bakery, confectionary, juice, and dairy processing are not sufficient to meet future demand.

The Russian food industry is characterized by its dependence on imports. Around 40 percent of products used by the Russian food industry are imported. More than a half of the meat and milk products in big Russian cities are provided by import suppliers. 70 percent of the raw materials in meat processing plants are imported. The majority of food ingredients are imported from: Denmark, Belgium, France, Germany, Austria, Great Britain, China and the United States.

The FAS Russia "Food Processing Annual 2011" report will be published on the FAS website in December, 2011; the search engine can be found at <http://www.fas.usda.gov/scripts/AttacheRep/default.asp>.

Internet Sales

Russian consumers mainly shop online for non-grocery products. However, internet retailing's growth rates remained high last year. In 2010, sales grew by 30 percent to reach \$6.5 billion which has exceeded the growth rates of store-based retailing. Companies are entering the online channel in search of high potential sales and annual growth rates. Even during the recession of 2009, when consumer demand decreased considerably, e-commerce recorded considerable sales growth. The main reasons for growth are: stronger presence and competition, discount prices, the development of broadband connections in Russia's regions, and the desire of Russian consumers to make savings.

One of the obstacles to the faster development of internet retailers is the underdeveloped system of e-payments. Currently most e-shop operators accept cash on delivery. It is still true that Russian

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consumers do not trust e-payments. Only 10 percent of e-shops offer the option to pay by debit/credit cards. Industry experts explain that e-shop operators prefer to call to consumers before the final confirmation of purchase. The PayPal system of security for e-payments has recently opened a subsidiary in Russia, but it mainly serves foreign e-shop operators. In Moscow, traffic may also be a factor limiting internet and delivery sales.

The largest store-based grocery retailers offer the same product ranges and prices online. Industry experts consider the development of online grocery stores to be immature. Russian consumers are not used to shopping for groceries online, and they have difficulty using the technology for this purpose. It is still perceived to be less stress and less time consuming to visit the local supermarket than to shop for groceries online. However, this situation is regarded as temporary and online grocery retailing has great potential.

Russian regions will gradually increase their purchasing activity due to independent small operators as well as the penetration of major store-based federal chains which have recently entered the niche. For example, last year Auchan Group announced plans to become a visible Internet retailer in Russia. X5 Retail completed the logistical and IT platform necessary for Internet retailing. Such operators have the benefit of distribution centers covering several regions of Russia, which will help develop Internet retailing in the regions more actively in future.

Tourism Sales

The tourist sector in Russia is relatively underdeveloped with the possible exception of domestic tourism. Therefore, Russia has unique opportunities both for the development of internal tourism and for reception of foreign travelers. A variety of landscapes (mountains, sea, rivers, woods, tundra) allows developing different kinds of tourism, e.g. beach vacation, ski vacation, etc. Vladimir Putin announced that in 2011 the Russian Government will launch a new federal program “Development of domestic tourism in Russia”. Over the next three years 7 billion rubles (\$US 233 million) will be allocated from the federal budget, including 2 billion rubles (\$US 67 million) in 2011 in order to realize enhance tourism in Russia (source: Rossiyskaya Gazeta). Already the hotel market, which is underserved in Russia, is growing. Growth in the tourist sector will spur further development of Russia’s hotels and restaurants which, in turn, will lead to a better quality services and offer new opportunities for the exporters of food products to Russia.

Certainly the tourism sector will experience a growth spurt due to several major international events in the next two years. Most notably, the 2014 Winter Olympic Games and the 2012 APEC Summit will be held in Russia and are the strongest short-term incentives for the development of Russian tourism in the coming years. The approaching winter Olympics to be held in the Black Sea resort of Sochi in 2014 promise a wealth of opportunities for foreign firms and investors. Hotels, restaurants and catering are all ramping up in order to serve the influx of visitors. A total of 47 transport infrastructure construction and modernization projects are underway and there are also plentiful opportunities in terms of telecoms, energy and environmental protection. The \$14 billion investment package in Sochi and the determination of the government to make the Olympics a domestic and international success make Sochi an attractive proposition. Following on the heels of the Olympic Games, Sochi will host the Paralympic Winter Games. The city of Vladivostok on the eastern coast of Russia is currently building new hotels and restaurants to serve the APEC visitors who will be on hand for the Summit in August

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2012. In 2013, the World University Summer Games (a.k.a. “Universiade”) will be held in the city of Kazan (population 1.2 million). And a bit further afield, Russia will host the 2018 Football World Cup.

Holiday Gifts Sales

While the Russian economy including the food sector appears to be growing toward pre-crisis levels, consumer confidence still has a bit of catching up to do particularly with respect to year-end holiday spending. According to a Deloitte 2010 survey, the average amount of money Russians allocated for their festive budget in 2010 included spending on food, gifts and entertainment of about \$526 versus about \$700 in 2008. The most desirable gift for Russians at the New Year is cash or its equivalent in gift vouchers (desired by 54 percent of respondents). Travel ranks second and third place in the wish-list was taken by personal computer or laptop. But desires differ from reality and most Russians in 2010 planned to purchase such gifts as cosmetics and perfumes (55 percent), chocolate (49 percent), and books (35 percent).

Consumers in Russia usually start to think of their gift shopping near to the middle of December and buy gifts, for the most part, during the last week before the holiday season. Russians tend to buy presents primarily in hypermarkets, with second place given to specialized shops, and the third place given priority being open-air-markets. Russian consumers continue to ignore the Internet as one of the major trading channels for buying gifts, especially during the pre-holiday period. According to Deloitte survey, the main reason is that Russians desire to see a product by themselves, to hold it in their hands and not just to look at a picture of it on a website.

SECTION IV. BEST CONSUMER ORIENTED PRODUCT PROSPECTS

Section IV. Best Product Prospects

The U.S. is the seventh largest supplier to Russia by value of agricultural, fish and forestry products. Based on official data, the U.S. share of Russia’s agricultural imports exceeded \$1.3 billion in 2010. This is down 25 percent due mainly to the economic crisis and lower poultry sales due to the poultry ban. The U.S. share of Russia’s total agricultural imports in 2010 was 3.99 percent compared with 6.2 percent in 2009. Top performing retail-oriented U.S. exports to Russia in 2010 included poultry and red meats, fresh and processed fruit and vegetables, nuts, fish and seafood, spirits and snack foods.

In 2010 U.S. poultry exports accounted for roughly \$331 million (about 330,000 metric tons), followed by pork, beef, tree nuts, fish and seafood. Following WTO Accession, Russia will remain an attractive market for poultry imports for the next several years, particularly for affordable frozen chicken leg quarters that do not compete against domestically-produced chilled whole birds. [Note: Poultry prospects changed dramatically in 2011 as Russia eliminated country specific Tariff Rate Quota (TRQ) allocations and slashed the total quantity from 780,000 MT to 350,000 MT. As a result, Russia has fallen from the United States’ top export market to 4th place.]

Russia is the largest importer of beef and veal products (including offal) in the world, and the 2nd largest importer of pork products. Russia has demonstrated significant growth as a market in 2011 for U.S. beef as a result of Russia’s actions to increase the U.S. TRQ allocation from 21,700 MT to 41,700 MT.

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Russia's World Trade Organization (WTO) accession process is helping to bring the country's legal and regulatory regime in line with internationally accepted practices. These changes will likely include changes to many of the current barriers for poultry, beef, and pork, including veterinary-sanitary barriers that restrict the flow of trade. Also, while Russia published plans in July to cut 2012 TRQ access for both pork and poultry; these figures may be changed pending results of the WTO Ministerial, December 15-17, 2012.

Also, Russia's goals to be self-sufficient in categories such as meat and dairy products create new opportunities for U.S. exporters to supply high protein feeds and animal genetics.

U.S. fish and seafood exports to Russia exceeded pre-crisis level in 2010 and totaled more than \$51 million. There is expected to be higher demand for fish and an increase in per capita consumption in the Russian consumer market in the upcoming years. Major products that are expected to see increased demand include low-price segments such as herring, hake, and perch. For more information please see Gain report:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Fishery%20Sector%20Production%20and%20Trade%20Update_Moscow_Russian%20Federation_7-27-2011.pdf

Russia's pet food market is still developing and is very concentrated around big cities such as Moscow, St. Petersburg and Yekaterinburg. Experts forecast continued growth and demand in the local pet food market as household incomes increase and old stereotypes are dismantled. According to the Pet Food Institute (PFI), expansive advertising conducted by multinational companies has led to significant changes in the perception of pet food as a product category. However, lack of information in the regions on the benefits of commercially prepared pet food remains the biggest constraint for the development of the pet food market. For more information please see Gain report RS1117 Pet Food Market Brief:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Pet%20Food%20Market%20Brief_Moscow_Russian%20Federation_4-21-2011.pdf

In 2010, the United States exported 14,572 metric tons of tree nuts to Russia. The main driver of this growth was the increase in California almond exports. California pistachios are also present in the market but volumes fluctuate based on price competitiveness, particularly with Iranian pistachios. Upon accession to the WTO, Russia will bind its tariffs on almonds, walnuts and pistachios to 5 percent, which may provide for additional increases in U.S. exports. For more information on Russian nuts market please see Gain report RSATO1108: http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Russia%20Going%20Nuts%20Over%20Almonds_St.%20Petersburg_Russian%20Federation_4-20-2011.pdf.

Russia is the world's third largest importer of fruit in value terms, and ranks as the number one market for pears. In 2010, consumption of fruit in Russia increased to 71 kg per capita, up 10 percent compared with 2009, based on the Russian Federation Statistic Committee data. For more information on Russian fruit market please see Gain report:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Fresh%20Deciduous%20Fruit%20Annual_Moscow%20ATO_Russian%20Federation_10-26-2011.pdf

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The most dynamic growth in the high-valued sector compared to 2009 was shown by such categories of U.S. products as jams and fruit jellies, tomato ketchup and other tomato sauces, frozen potatoes, prunes, alcoholic and nonalcoholic beverages (excl. fruit and veg. juices), fresh grapes, and ice cream.

Given the potential of the Russian agricultural market, the U.S. high value products can penetrate some niche markets, especially for those products which are not produced in Russia or are produced in limited quantities. In many cases, Russian agriculture is not capable yet of producing products of consistently high quality (e.g. high quality beef steaks). There are markets for baby food or for specialty products including low-fat, low-salt and sugar-free products, cake & bread mixes, corn meal, and chocolate chips. U.S. exporters could also supply new market segments that are just beginning to develop. This includes organics, microwaveable and semi prepared food as well as TV-dinners. Potential importers must be aware that promotion of innovative or new to market products is expensive.

Table 8 (below) provides additional information on food and agricultural product prospects ^{/1}.

Table 8. Russia: Suggested Best Prospects for U.S. Exporters, by Sector, 2010

Product	2010 US Import Volume (\$ US mln.)	Average Growth of Import over the Last 5 Years, %	Import Taxes	Key Constraints to Market Development	Attractiveness of the Market for the USA
Poultry	331.2	2.1	See GAIN Poultry and Products reports. Tariff-rate quotas apply to some items. Tariffs change unpredictably.	Competition with Brazilian and EU producers; Quick growth of domestic production; Perception of U.S. product as cheap and of low quality. Veterinary controls and demands do not follow international standards. Official goal of “food security” calls for reduction of meat imports.	U.S. product has well-established position; Low prices attract buyers. Local producers will not be able to satisfy demand in near future.
Pork	177.7	22	See GAIN Livestock and Products reports. Tariff-rate quotas apply to some items. Tariffs change unpredictably.	Competition from Brazilian pork, complicated import procedures. Veterinary controls and demands do not follow international standards. Official goal of “food security” calls for	Shortage of pork in the country; declining production; high prices; Demand for stable deliveries of both cheap and high quality product. New health certificates are in place for U.S. origin

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				reduction of meat imports.	pork.
Food preparations	96.9	1.6	20% but not less than 0.25 Euro/kg plus 18% VAT for position 1704; generally 5% + 18% VAT for items in 180620, but varies in other positions	High competition from EU products; Cheap canned food niche occupied by Russian trademarks.	Fewer Russians are making food products (e.g. canning) at home; High-quality product niche is not completely filled.
Beef	94.4	21.8	See GAIN Reports Livestock and Products reports. Tariff-rate quotas apply to some items. Tariffs change unpredictably.	Consumer unaware of U.S. high quality beef; Growing domestic production; Complicated import procedures. Veterinary controls and demands do not follow international standards. Official goal of “food security” calls for reduction of meat imports.	Insignificant specialized beef production; Constantly growing beef prices; Niche markets for meat delicacies (steak, etc.) and meat offal; Fast HRI development; New health certificates are in place for U.S. origin beef.
Tree nuts	82.6	60.2	Nuts – 18% VAT Pistachios and pecans 18% VAT + 5% import duty	Iran biggest competitor for peanuts and pistachios; Tajikistan for walnuts.	U.S. almonds and pistachios enjoying very strong growth. Good potential for U.S. pecans.
Fish and Seafood	51.9	16.9	10% + 10-18% VAT	Regular deliveries of high quality product from Norway; Shortage of suitable equipment at retail trade outlets; Deficit of proper storage facilities with below –20C temperature; Unaware of quality and value of U.S. shellfish.	Growing demand for higher quality seafood from consumers; Very modest assortment in markets; Significant demand from supermarkets and HRI sector. Importers are looking for product diversification. Price competitiveness with European shellfish.
Fresh Fruit	29.3	18.6	Apples: (Jan 1-Jul 31) 0.1 Euros per kg (Aug 1-Dec 31) 0.2 Euros per kg + 18% VAT	Strong competition from Poland, China, Chile, New Zealand, Moldova for apples; Argentina and China for pears.	U.S. has good sales already and good potential for growth U.S. apples, pears, grapes, citrus, especially during

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			Pears: 10% + 18% VAT		February- April period.
Spirits	24.6	12.4	Excise taxes: RUR 254/liter of ethyl alcohol content in the first half of 2012 and RUR 300 in the second half of 2012; VAT 18%	Strong positions of other importers (France, United Kingdom). Highly complex and nontransparent regulation.	Relatively high level of alcohol consumption; Demand for exotic drinks (whiskey, gin, rum, bourbon). Whiskey and rum have tremendous growth potential.
Dried fruit	12.7	38.4	Prunes, apricot 10% import duty, raisin -5% import duty + 18% VAT	Sharp competition with Iran and Turkey. Desire of packers to save on raw stock, procuring low quality stock from Iran, Uzbekistan, and Afghanistan.	Intensive development of confectionery industry and start of retail sales of rare dried fruits. High quality of U.S. product; Development of premium-class confectionery products.
Pet food	4.6	12.8	20%, but not less than 0.16 Euros/kg + 18% VAT	Strong tradition of feeding pets with table scraps; Strong local production with foreign investments - Mars has two plants that produce pet food.	Traditionally large number of home pets; Increased population incomes followed by growing demand for ready to use pet food.
Snack Foods	3.3	16.6	5% - 15%, but not less than 0.15 – 0.075 Euro/kg (duty depends on product, size of package, sugar content, etc.) + 10% - 18% VAT	Strong competition from local producers, including some foreign brands such as Lay's (PepsiCo) and Estrella (Kraft) – Pringles from Europe.	Good potential for high quality U.S. snacks: popcorn, nuts, and dried fruits mixes.

Source: Global Trade Atlas, U.S. Trade Database, Russian Tariff Database

^{1/} Food products listed in Table 7 are based on market intelligence, including discussions with retailers and data analysis efforts, and should not be considered an official endorsement by the United States Department of Agriculture or any affiliated agencies.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Contact Information for FAS Offices in Russia and in the United States

U.S. Agricultural Trade Office Headquarters, Moscow

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Email: atomoscow@fas.usda.gov

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Street address (for express parcels):

U.S. Agricultural Trade Office

American Embassy

Bolshoy Devyatinskiy pereulok, 8

121099 Moscow, Russia

Fax: 7 (495) 728-5069

Tel: 7 (495) 728-5560

<http://eng.usda.ru>

For mail coming from the U.S. (delivery may take 4 to 6 weeks):

Director, Agricultural Trade Office

5430 Moscow Place

Washington, DC 20521-5430

For international mail, especially from Europe:

Agricultural Trade Office

U.S. Embassy - Box M

Itainen Puistotie 14

00140 Helsinki, Finland

Covering Northwest Russia (St. Petersburg):

Svetlana Ilyina, ATO Marketing Specialist

American Consulate General

Furshtatskaya Street 15

191028, St. Petersburg, Russia

Fax: 7 (812) 331-2675

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Covering the Russian Far East (Vladivostok):

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For General Information on FAS/USDA Market Promotion Programs and Activities:

Office of Trade Programs
U.S. Department of Agriculture
Foreign Agricultural Service
1400 Independence Ave., S.W.
Washington, DC 20250
http://www.fas.usda.gov/OTP_contacts.asp

FAS Website: www.fas.usda.gov

For Trade Policy/Market Access Issues, General Information on the Russian Agricultural Sector, etc:

Scott Reynolds, Agricultural Minister-Counselor
Levin Flake, Senior Agricultural Attaché
Morgan Haas, Agricultural Attaché
Office of Agricultural Affairs
American Embassy
(address same as above for ATO Moscow)
Fax: 7 (495) 728-5133 or 728 5102
Tel: 7 (495) 728-5222
E-mail: agmoscow@fas.usda.gov

Other Useful Contacts

The Agricultural Trade office works with a large number of U.S. industry organizations, a.k.a. Cooperators, several of which are resident in Russia. These cooperators share the view that Russia is a promising market for food products.

Alaska Seafood Marketing Institute

Andrew Brown
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California Table Grape Commission

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<http://crispconsulting.ru/>

USA Poultry and Egg Export Council (USAPEEC)

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Tel: 7 (495) 781-9200
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E-mail: usapeec@usapeec.ru, albertdavleyev@yahoo.com
<http://www.usapeec.ru>

U.S. Meat Export Federation (USMEF)

Galina Kochubeyeva (Moscow)
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Fax: 7 (495) 230-6849
Tel.: 7 (495) 544-9387
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Yuriy Barutkin (St. Petersburg)
Address: 190031 St. Petersburg, Russia, Yefimova str., 4a, office 303
Fax: 7 (812) 309-71102
Tel.: 7 (812) 309-1101
E-mail: stpete@usmef.org

U.S. Wheat Associates

Valentina Shustova
Address: 129090 Moscow, Russia, Gilyarovskogo Str., 4, Stroyeniye 5, Office 101
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www.bestapples.ru

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Wine Institute of California

Olga Tuzmukhamedova

Address: 127521 Moscow, Russia, Staromarinskoe shosse, 14-77

Tel: +7 926-389-5745

E-mail: olgatuz@mail.ru

<http://www.discovercaliforniawines.com/>

The American Chamber of Commerce is another good source for information on doing business in Russia. The Chamber has offices in Moscow and St. Petersburg.

American Chamber of Commerce in Russia (AmCham)

Ul. Dolgorukovskaya, Building 7, 14th floor

127006 Moscow, Russia

Fax: 7 (495) 961-2142

Tel: 7 (495) 961-2141

Email: amchamru@amcham.ru

<http://amcham.ru/>

American Chamber of Commerce in St. Petersburg

Ulitsa Yakubovicha 24, left wing, 3rd Floor

190000 St. Petersburg, Russia

Fax: 7 (812) 448-1645

Tel: 7 (812) 448-1646

Email: all@spb.amcham.ru

<http://amcham.ru/spb/>

The U.S Commercial Service has offices in Moscow, St. Petersburg, and Vladivostok. For questions regarding agricultural machinery, food processing and packaging equipment or materials, refrigeration equipment, and other industrial products, please contact:

U.S. Commercial Service

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Bolshoy Devyatinskiy pereulok, 8
 121099 Moscow, Russia
 Fax: 7 (495) 728-5585
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 E-mail: Moscow.Office.Box@trade.gov
<http://export.gov/russia/>

The U.S. Commercial Service office at the U.S. Embassy in Moscow assists American exporters by identifying potential partners through the Gold Key Matching Service. The program features:

- appointments (typically four per day) with prescreened Russian firms;
- background and contact information on each potential partner, such as: the size of the company; number of years in business; product or service lines; and capability to provide after-sales service;
- customized market briefing with U.S. Commercial Service staff; and,
- available market research on the relevant industry sector.

The World Bank and the U.S. Agency for International Development also maintain missions in Russia.

APPENDIX – STATISTICS

TABLE A. KEY TRADE & DEMOGRAPHIC INFORMATION, CY2010

Agricultural Imports From All Countries (\$Mln) / U.S. Market Share (%) ^{1/}	30,599/4.2
Consumer Food Imports From All Countries (\$Mln) / U.S. Market Share (%) ^{2/}	21,719/4.7
Edible Fishery Imports From All Countries (\$Mln) / U.S. Market Share (%) ^{3/}	2,150/2.4
Total Population (Millions) / Annual Growth Rate (%)	141.9/+0.07
Urban Population (Millions) / Annual Growth Rate (%)	73/+0.01
Number of Major Metropolitan Areas ^{4/}	12
Size of the Middle Class (Millions) / Growth Rate (%) ^{5/}	48/2.8
Per Capita Gross Domestic Product (U.S. Dollars)	10,314
Unemployment Rate (%)	7.2
Per Capita Food Expenditures (U.S. Dollars)	4,622
Percent of Female Population Employed ^{6/}	93
Exchange Rate (US\$1 = RUR), 2010 ^{7/}	30.48

Source: Unless otherwise noted, Russian Federal Statistics Service 2010 data (Rosstat)

^{1/} Source: 2010, Global Trade Atlas (total agricultural imports)

^{2/} Source: 2010, Global Trade Atlas

^{3/} Source: 2010, Global Trade Atlas

^{4/} Population in excess of 1,000,000

^{5/} Sources: Various - based on estimate of individuals earning US\$500-\$1,150 per month

^{6/} Source: Rosstat data. As percentage of economically-active female population (employed or actively seeking employment). Female workers account for 49.1 percent of the total economically-active population

^{7/} See Figure 1 and 2. Russia's Central Bank exchange rate of \$1 USD to Ruble in 2010-2011

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TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS, CY08-10

	Imports from the World (Million Dollars)			Imports from the U.S. (Million Dollars)			U.S Market Share (Percent)		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
CONSUMER-ORIENTED AG, Total	21,537	18,503	21,719	1,810	1,391	1,011	8.4	7.5	4.7
Snack Foods (Excl. Nuts)	857.5	707.3	909.9	2.4	2.0	3.3	0.3	0.3	0.4
Breakfast Cereals & Pancake Mix	32.5	18.9	21.0	0.4	0.2	0.9	0.1	0.1	0.5
Red Meats, Fresh/Chilled/Frozen	5,418.6	4,633.1	4,615.4	585.4	382.4	333.5	10.8	8.3	7.2
Red Meats, Prepared/Preserved	174.4	156.2	157.2	7.7	11.2	3.4	4.4	7.2	2.2
Poultry Meat	1,339.3	1,064.2	862.8	835.9	733.1	331.2	62.4	68.9	38.4
Dairy Products (Excl. Cheese)	1,512.6	1,179.0	1,319.6	47.7	2.8	3.2	3.2	0.2	0.24
Eggs & Products (Excl. Cheese)	80.3	79.4	115.9	9.5	10.5	9.8	11.8	13.2	8.5
Fresh Fruit	3,840.5	3,711.3	4,571.8	23.5	20.8	29.3	0.6	0.6	0.64
Fresh Vegetables	1,627.6	1,492.8	2,025.2	2.0	1.3	1.26	0.12	0.1	0.06
Processed Fruit & Vegetables	1,416.5	1,282.4	1,456.7	23.3	12.6	24.9	1.6	1.0	1.7
Fruit & Vegetables Juices	417.8	286.8	364.3	7.3	6.3	6.25	1.7	2.2	1.7
Tree Nuts	382.8	291.7	334.9	103.6	82.2	82.6	27.1	28.2	24.7
Wine & Beer	1,264.4	870.2	1,074.6	6.8	6.2	7.4	0.5	0.7	0.7
Pet Foods (Dog & Cat Food)	175.9	162.5	139.3	12.8	4.5	4.6	7.3	2.8	3.3
Other Consumer Oriented Products	2,241.2	1,920.0	2,351.6	141.1	113.2	146.7	6.3	5.9	6.2
FISH & SEAFOOD PRODUCTS, Total	2,216	1,754	2,150	46.3	27.4	51.6	2.2	1.6	2.41
Salmon	317	311	524	1.9	0.6	1.45	0.6	0.2	0.28
Molluscs	84	40	59.6	3.3	1.7	4.4	3.9	4.2	7.41
Crustaceans	282.7	199.3	253	0.17	0.01	0.39	0.06	0.05	0.16
Other Fishery Products	1,349	1,052	1,082	27.3	10.4	32.3	2.0	1.0	2.99
AGRICULTURAL PRODUCTS TOTAL	30,590	25,711	30,599	2,093	1,712	1,278	6.8	6.7	4.18
AG, FISH AND FORESTRY TOTAL	34,260	28,252	33,727	2,181	1,753	1,347	6.4	6.2	3.99

Source: Global Trade Atlas

**TABLE C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS
CONSUMER-ORIENTED AG TOTAL**

Country	Million United States Dollars			
	2008	2009	2010	2011*
Brazil	2,526.6	2,243.7	2,149.5	1,390.2
Germany	1,312.0	1,172.0	1,633.7	1,419.9
Ukraine	1,197.0	1,061.2	1,414.9	1,143.3
Turkey	878.8	1,013.7	1,336.4	944.5
Netherlands	1,072.5	887.8	1,184.6	1,070.8
United States	1,810.4	1,391.0	1,010.5	759.6
Poland	664.1	737.7	923.3	688.0
Ecuador	837.0	790.8	877.5	895.4
China	894.7	740.5	856.7	805.4
Italy	682.8	538.2	796.3	678.7
Spain	658.5	550.2	785.2	812.5
France	768.2	595.0	780.9	624.9

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Argentina	742.2	862.2	508.9	432.8
Belgium	350.7	267.3	441.4	366.3
Denmark	356.9	347.6	425.7	361.4
World	21,536.7	18,502.6	21,719.3	18,575.6

Source: Global Trade Atlas

*Note: January – September 2011

TABLE D. TOP 15 SUPPLIERS OF FISH & SEAFOOD PRODUCTS

Country	Million United States Dollars			
	2008	2009	2010	2011*
Norway	709.9	729.1	859.7	630.2
China	274.0	206.7	234.6	228.5
Iceland	53.4	43.0	95.7	124.6
Canada	87.6	57.5	92.2	72.4
United Kingdom	71.6	84.0	80.5	39.0
Chile	105.8	57.3	79.2	91.4
Vietnam	203.5	102.6	73.8	70.1
Denmark	130.9	79.1	69.6	49.7
Japan	15.6	14.4	58.0	14.1
United States	49.2	27.4	51.9	32.6
Thailand	66.3	33.3	49.1	35.9
Spain	21.8	30.4	35.0	33.6
Latvia	26.7	23.1	31.8	32.2
Ukraine	25.3	27.7	31.6	21.3
India	28.8	16.1	25.7	25.7
World	2,216.1	1,753.6	2,150.4	1,845.4

Source: Global Trade Atlas

*Note: January – September 2011

Other Relevant Reports

Attaché reports on the Russian food and agricultural market are available on the FAS Website; the search engine can be found at

<http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>

The latest FAIRS Report can be found at <http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>.

RSATO1110 Retail Report / Annual

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods/Moscow%20ATO_Russian%20Federation_9-2-2011.pdf

RSATO1002 Trade Law Report

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/The%20Russian%20Federal%](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/The%20Russian%20Federal%20Trade%20Law%20Report_9-2-2011.pdf)

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[20Law%20on%20Trade%20_Moscow%20ATO_Russian%20Federation_8-30-2010.pdf](#)

RSATO1107 Russian Food Processing Sector

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Processing%20Ingredients_Moscow%20ATO_Russian%20Federation_12-21-2010.pdf](#)

RSATO1102 Russian HRI Sector

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Moscow%20ATO_Russian%20Federation_3-3-2011.pdf](#)

RSATO1002 Fresh Deciduous Fruit / Annual

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Fresh%20Deciduous%20Fruit%20Annual_Moscow%20ATO_Russian%20Federation_11-1-2010.pdf](#)

RSATO1109 Russian Organic Market

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Russian%20Organic%20Market%20Taking%20Root_Moscow%20ATO_Russian%20Federation_4-27-2011.pdf](#)

RSATO1010 Russian Alcohol Market Regulation 2008-2010 Update

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Russian%20Alcohol%20Market%20Regulation%202008-2010%20Update_Moscow%20ATO_Russian%20Federation_11-22-2010.pdf](#)

RS 1039 Ban on Grain Exports from Russia Comes to Force on August 15

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Ban%20on%20Grain%20Exports%20from%20Russia%20Comes%20to%20Force%20on%20August%2015%20_Moscow_Russian%20Federation_8-6-2010.pdf](#)

RS 1134 Fish and Seafood Production and Trade Update

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Fishery%20Sector%20Production%20and%20Trade%20Update_Moscow_Russian%20Federation_7-27-2011.pdf](#)

RS 1139 Poultry and Products Annual

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Poultry%20and%20Products%20Annual_Moscow_Russian%20Federation_8-16-2011.pdf](#)

RS 1144 Livestock and Products Annual

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual_Moscow_Russian%20Federation_9-15-2011.pdf](#)

RS 1146 Dairy and Products Annual

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dairy%20and%20Products%20Annual_Moscow_Russian%20Federation_10-20-2011.pdf](#)

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RS 1015 Declaration of Conformity Replaces Certification for Many Products

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Declaration%20of%20Conformity%20Replaces%20Certification%20for%20Many%20Products_Moscow_Russian%20Federation_3-22-2010.pdf

RS1117 Pet Food Market Brief

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Pet%20Food%20Market%20Brief_Moscow_Russian%20Federation_4-21-2011.pdf

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